



Michael R. Pence, Governor
State of Indiana

Division of Disability and Rehabilitative Services
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To: Case Management Companies, Providers, and Families
From: Cathy Robinson, Director, Bureau of Developmental Disabilities Services (BDDS)
Re: Private health insurance billings
Date: July 1, 2016

Recently it was brought to the Bureau of Developmental Disabilities Services' (BDDS) attention that some waiver participants are receiving coverage denial letters from their current or prior private insurance carriers for services provided under the Community Integration and Habilitation (CIH) or Family Supports (FS) waivers. This process does not impact eligibility for waiver services nor does it interrupt or have any other effect on existing waiver services.

The Office of Medicaid Policy & Planning (OMPP) is sharing the below information to help clarify the billing activity taking place:

Under federal law, state Medicaid programs are intended to be the "payer of last resort." Therefore, Medicaid agencies are required to pursue third party reimbursements where third party coverage may be available to pay for a claim paid by Medicaid. In the Medicaid application, the applicant/member assigns their right of recovery from third party liabilities to the State and agrees to cooperate with recovery from third parties.

Hewlett Packard Enterprises (HPE) is the fiscal agent for the Indiana Health Coverage (Indiana Medicaid) Program (IHCP) and is responsible for third party recoveries. Health Management Systems (HMS) assists HPE in identifying available third party coverage for Indiana Medicaid members. HMS also bills third party insurance carriers on behalf of the Indiana Medicaid program. The claims HMS bills are referred to as "Medicaid Reclamation claims." These claims are paid IHCP/Indiana Medicaid claims that HMS rebills to third party carriers who provide simultaneous health insurance coverage to the IHCP members.

On May 4, 2016, HMS sent out a large billing of paid Medicaid Reclamation Waiver claims to third party carriers. Prior to this, waiver claims had not been regularly billed by HMS. Federal



law allows Medicaid to bill back three years of Reclamation Claims regardless of the carrier's filing limit, so some of the claims billed included dates of service dating back to 2013.

In response to this Medicaid Reclamation billing by HMS, the third party insurance carriers are currently processing the Medicaid Reclamation claims and sending out Explanation of Benefits (EOBs) to their policy holders notifying them whether the claim has been paid or denied.

Requests from third party carriers for additional information should generally not be directed to the providers or members. If the provider or member receives such a request, they can either disregard it or refer the carrier to HMS at 1-800-831-2715.

In this process, the members are not being billed, and the providers are not billing the third party carriers.

Additional questions about the Medicaid Reclamation billing process can be directed to:

Kathy Myers, Program Director

Health Management Systems

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For more information, please see IHCP News and announcements explaining this issue at:
<http://provider.indianamedicaid.com/news,-bulletins,-and-banners/news-summary/hcbs-waiver-claims-sent-to-third-party-insurers.aspx>